



6 December 2019

Mr Brent Finlay
Chairperson
Future Drought Fund Consultative Committee
Department of Agriculture

Via weblink

Dear Mr Finlay

Thank you for the opportunity to comment on the Future Drought Resilience Funding Plan.

Southern Gulf NRM welcomes the Plan and is largely supportive of all key elements. We are particularly pleased to note that the Plan recognises the established capacity and key role of regional Natural Resource Management organisations in delivery of relevant aspects of the Plan. Further, recognition in the Plan of the importance of best practice natural resource management as a central element of drought resilience is welcome. We believe this to be especially important in rangelands regions such as ours.

Southern Gulf NRM has a strong interest in contributing to implementation of the Drought Resilience Plan in the Southern Gulf region and looks forward to early advice about implementation arrangements.

Our submission is attached. I would be pleased to discuss any aspect of it should you wish.

Yours sincerely

Andrew Maclean
Chief Executive Officer

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Future Drought Resilience Funding Plan

Southern Gulf NRM submission

Background

Southern Gulf NRM is the regional natural resource management organisation for the Southern Gulf region in North West Queensland. A not-for-profit, community-led organisation, Southern Gulf NRM has worked for more than 20 years to achieve sustainable outcomes for the regional community, industries and landscape.

Southern Gulf NRM's work is framed by the regional Natural Resource Management Plan¹. This establishes four primary goals:

- Building Strong NRM Communities
- Growing Regional Prosperity
- Securing Landscape Resilience
- Sustaining our Natural and Cultural Environment

These goals are highly aligned to the objectives of the Future Drought Resilience Funding Plan.

The Southern Gulf is one of Australia's major beef producing regions, supporting around one million head. The industry is based almost entirely on rangelands pastures. Inherent productivity of the landscape is low, and properties are large, averaging around 25,000 ha but ranging up to 400,000 ha.

Rainfall variability in the Southern Gulf region is the highest in Australia meaning that drought is a matter of constant concern to industry and to Southern Gulf NRM. After several years of drought, flooding in February 2019 had a major impact on the industry which will likely take several years to recover.

Central role of agricultural land managers

Around 90% of the Southern Gulf landscape is managed for extensive beef production. Southern Gulf NRM recognises that in our region, the cattle station is the fundamental unit of management. The decisions made by managers of the 600 (approx.) cattle properties in the Southern Gulf region are the basis not just for the economic success of the industry, but the environmental condition of the rangelands landscape and the wider prosperity of the region. In achieving our aims and in monitoring progress, we focus squarely on supporting producers to improve management practices and make good decisions about their business and landscape.

Role of Southern Gulf NRM

SG NRM with our partners has the role and capacity to deliver services that build drought resilience. Our present programs are resilience-based. Examples include:

- Southern Gulf NRM is an active participant in the Queensland Drought and Climate Adaptation Program, delivering extension services that build producer resilience
- Our NLP funded Profitable Producers Creating Healthy Landscapes project supports peer to peer learning and property management planning as a basis for improved resilience
- Our Queensland-funded Natural Resources Investment Plan project supports producers with grants that deliver improved land condition outcomes
- E-Beef Smart Farming is building producer knowledge and skills in the uptake of new technologies for rangelands grazing.

¹ https://www.southerngulf.com.au/wp-content/uploads/2017/01/SG-NRM-Plan_LOW-RES.pdf

With extensive producer networks, established regional capacity and strong service provider partnerships, Southern Gulf NRM seeks to play a central role in the implementation of the Future Drought Resilience Funding Plan.

Characteristics of Drought Resilient Producers

As a partner in the Queensland Drought and Climate Adaptation Program Grazing Futures project, Southern Gulf NRM bases its work on the following characterisation of a resilient grazing business:

A resilient grazing business is one that can prosper and grow through their capacity to effectively manage their:

- *Grazing lands;*
- *Animal production systems;*
- *Business systems and*
- *People.*

Attributes of a resilient grazing businesses include:

- *They take ownership of drought preparedness and know how to manage droughts*
- *They adopt a business cycle approach*
- *Adopts best management practices and innovative approaches to better manage:*
 - *Grazing lands and pastures*
 - *Livestock*
 - *Property infrastructure particularly water*
- *Has a continuous improvement mindset to build on past experiences to improve business management and operational activities through:*
 - *Identifying goals and documenting plans*
 - *an external awareness, appreciation of information and trends*
 - *being able to make timely decisions without too much emotional weight*
 - *risk awareness and management*
 - *be able to improvise and adapt*
 - *establishing and maintaining internal and external relationships and networks (including financial institutions)*
 - *sustaining personal and family health and wellbeing.*

A key point in our approach that should be adopted in implementation of the Future Drought Resilience Funding Plan is that all these attributes need to be considered and addressed in an integrated way at the regional and property level. While different providers might deliver different services, service coordination is an important way of maximising effectiveness and minimising wasteful duplication.

Response to the Future Drought Resilience Funding Plan

Drawing upon our extensive experience in the delivery, Southern Gulf NRM proposes the following key points for consideration in finalisation and implementation of the Future Drought Resilience Funding Plan.

A sustainable and resilient rangelands beef industry depends on a sustainable and resilient landscape. This principle should be at the core of the drought resilience program.

Australia's rangelands have experienced a long decline in environmental condition and agricultural productivity^{2,3} with a cycle of degradation associated with drought, followed by incomplete recovery before the next drought. Graziers must be supported to adopt improved practices that will halt or reverse this insidious, stepwise decline. It is likely true everywhere, but in the rangelands the nexus between farm business resilience and landscape resilience is unbreakable. The Future Drought

² https://data.longpaddock.qld.gov.au/static/publications/learning_from_history.pdf

³ <https://www.publish.csiro.au/rj/pdf/RJ18105>

Resilience Fund offers an opportunity to develop and deliver programs that address producer knowledge, skills and attitudes to support widespread practice change in relation to landscape management and this must underpin any other element of the program. Conversely, poorly designed projects could create perverse outcomes by encouraging or incentivizing producers to implement practices that cause landscape degradation.

Producer and community drought resilience needs to be supported through well-resourced extension services

Drought resilience in the agriculture sector is ultimately a function of the knowledge and capacity of the producer community. While it is important to recognise and respect the challenges producers face in managing a grazing business, especially during times of drought, it is also important not to overstate the extent of knowledge and skills in the producer community. Southern Gulf NRM's report on Climate Change in the Southern Gulf Region⁴ cited research assessing only 17% of producers as having a high resilience to climate change – and by inference to drought. Limited knowledge and skills, weak industry networks, and inadequate business strategy are all identified impediments to resilience.

There is no avoiding the truth that extension staff, embedded in and trusted by the agriculture community play a proven role in building producer knowledge and capacity. The Future Drought Resilience Fund should support Natural Resource Management organisations, often in partnership with State agencies, to work in communities to build drought resilience through provision of extension services.

Regional project delivery under the Drought Resilience Funding Plan should complement and build on work funded under other Australian and state government programs, in particular the National Landcare Program.

Southern Gulf NRM, like all other NRM service delivery organisations, is presently actively engaged in implementing the Regional Land Partnerships component of the National Landcare Program. Our *Profitable Producers Creating Healthy Landscapes* project explicitly addresses outcomes 5 and 6:

Outcome 5: By 2023, there is an increase in the awareness and adoption of land management practices that improve and protect the condition of soil, biodiversity and vegetation; and

Outcome 6: By 2023, there is an increase in the capacity of agriculture systems to adapt to significant changes in climate and market demands for information on provenance and sustainable production.

These outcomes closely reflect the objectives of the Drought Resilience Funding Plan.

Among the Funding Plan principles is:

5) not duplicate or replace existing Commonwealth or state government funding programs, but will aim to improve the coordination or integration of existing Australian and state government policies, frameworks and programs

Southern Gulf NRM would be disappointed if the principle of non-duplication was interpreted to mean that Drought Funding could not be used to enlarge established regional projects that already support Drought Resilience Funding Plan objectives. It would be foolish to require the design of new projects just for the sake of being different.

Projects should be designed to facilitate enduring practice change to build resilience capacity and therefore a return on public investment by reducing demand for future crisis support.

A wide range of approaches are possible, but all projects delivered under the Future Drought Resilience Fund should explicitly address one or more of the characteristics of drought resilient

⁴ <https://www.southerngulf.com.au/wp-content/uploads/2016/11/172046-SGCNRM-Climate-Change-Report-FINAL.pdf>

producers, outlined above. Project logic and MERI processes should demonstrate how the proposed intervention will contribute to resilience. Where grant payments are made to producers to support practice change, funding contracts should be outcome based, requiring an ongoing improvement in performance as a condition of funding.

Administration of the Drought Resilience Funding Plan should be as simple as possible

The Funding Plan will clearly rely on a wide range of service providers delivering projects under contracts. The Funding Plan includes the following principles:

18) be delivered in accordance with Commonwealth guidelines including the Commonwealth Grants Rules and Guidelines 2017, the Commonwealth Procurement Rules 2019 and the *Federal Financial Relations Act 2009*

19) ensure eligibility for programs is streamlined to remove red tape and deliver outcomes to farming businesses and communities.

Southern Gulf NRM understands and accepts the need for Principle 18 and welcomes the intent of Principle 19.

Southern Gulf NRM was selected as the Service Provider for the Southern Gulf management unit under the competitive RLP tender process. This provides a basis for the government to commission Southern Gulf NRM (and other NRM organisations) to deliver relevant aspects of the program without the need for competitive procurement processes. Adopting this approach would help ensure projects can roll-out from 1 July 2020 and would be consistent with both Principles 18 and 19.

The Program MERI should be practical and properly resourced at all scales of implementation

A program that seeks to modify farm business and land management practices creates particular challenges for MERI. Some of the desired practice changes relate to the confidential business practices and financial performance of farm businesses. Others relate to improvement in landscape condition, which might take many years to become evident and in any event is difficult and expensive to properly monitor. Our observation is that MERI arrangements developed for other funding programs typically establish higher expectations than can be achieved with the funding made available. The Drought Resilience Funding Program has the opportunity to avoid the same mistakes.

Within broad national program objectives, drought resilience programs should be designed and delivered to be relevant to the needs and characteristics of diverse communities.

A drought resilience project design that works for dairy in Victoria is most unlikely to work for beef in the gulf. Implementation of the Funding Plan needs to allow for innovation and adaptation to the distinct needs of regional communities, industries and landscapes. This is the principle of subsidiarity that underpins Australia's world-leading natural resource management framework.

Drought resilience practices also contribute to disaster resilience

It is worth noting that many of farm resilience practices relevant to drought would also be relevant to disasters such as floods, cyclones and fire. The Southern Gulf region was severely affected by widespread flooding in early February 2019. Capitalising on its well-established regional networks, Southern Gulf NRM was able to quickly refocus its previous drought resilience projects to support regional flood recovery.